

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Township of L'Anse</b>	County <b>Baraga</b>
Audit Date <b>3/31/05</b>	Opinion Date <b>7/7/05</b>	Date Accountant Report Submitted to State: <b>9/30/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Richard C. Woodbury, P.C., CPA</b>			
Street Address <b>20017 E Sharon Ave</b>	City <b>Houghton</b>	State <b>MI</b>	ZIP <b>49931</b>
Accountant Signature		Date <b>9/30/05</b>	

**TOWNSHIP OF L'ANSE, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**AND OTHER FINANCIAL INFORMATION**  
**MARCH 31, 2005**

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## INDEPENDENT AUDITORS REPORT

To the Township Board  
Township of L'Anse  
L'Anse, Michigan

We have audited the accompanying statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of L'Anse Township, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the L'Anse Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

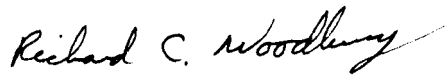
We conducted our audit in accordance with auditing standards, and the standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of L'Anse Township, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise L'Anse Township's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended and interpreted, as of March 1, 2004

A handwritten signature in black ink, reading "Richard C. Woodbury". The signature is written in a cursive style with a horizontal line extending from the end.

Richard C. Woodbury, CPA

July 7, 2005

## Management's Discussion and Analysis

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

### The Township as a Whole

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current Assets	\$597,691		\$197,261		794,952\$	
Noncurrent Assets	455,011		453,951		908,962	
Total Assets	1,052,702		651,212		1,703,914	
Long-Term Debt Outstanding	--		417,038		417,083	
Other Liabilities	17,413		42,448		59,861	
Total Liabilities	17,413		459,531		476,944	
Net Assets						
Invested in Capital Assets—Net of Debt	455,011		54,707		509,718	
Restricted	--		--		--	
Unrestricted (Deficit)	580,278		136,974		717,252	
Total Net Assets	\$1,052,702		\$651,212		\$1,703,914	

## Management's Discussion and Analysis

The following table shows the changes of the net assets (in thousands of dollars) as of the current date to the prior year:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Program Revenues	\$23,483		\$16,957		\$40,440	
Charges for Services	--		--		--	
Operating Grants and Contributions	--		--		--	
Capital Grants and Contributions	--		--		--	
General Revenues						
Property Taxes	250,460		--		250,460	
State-Shared Revenues	136,137		--		136,137	
Unrestricted Investment Earnings	7,081		4,276		11,357	
Franchise Fees	--		--		--	
Transfers and Other Revenue	--		10,000		10,000	
Total Revenues	\$417,161		\$31,233		\$448,394	
Program Expenses						
General Government	157,838		--		157,838	
Public Safety	85,540		--		85,540	
Public Works	28,406		--		28,406	
Health and Welfare	61,890		--		61,890	
Community and Economic Development	--		--		--	
Recreation and Culture	63,133		--		63,133	
Loss on Sale	385		--		385	
Transfer	10,000		--		10,000	
Water and Sewer			34,739		34,739	
Total Expenses	\$407,192		\$34,739		\$441,931	
Change in Net Assets	\$9,969		\$(3,506)		\$6,463	

## **Management's Discussion and Analysis**

### **Business-Type Activities**

The Township's business-type activities consist of the Water and Sewer Fund.

### **The Township's Funds**

Our analysis of the Township's major funds begins on page 9, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2005 include the General Fund, the Fire Fund, and the Ambulance Fund.

### **General Fund Budgetary Highlights**

Over the course of the year, the Township Board amended the budget to take into account events during the year.

### **Capital Assets and Debt Administration**

At the end of 2005, the Township had \$908,962 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads within the Township.

### **Contacting the Township's Management**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.



## **Management's Discussion and Analysis**

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Township of L'Anse  
Government Wide Statement of Net Assets  
March 31, 2005

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 541,872	\$ 197,261	\$ 739,133	\$ -
Investment	-	-	-	-
Receivables (Net)	55,819	-	55,819	-
Internal Balances	-	-	-	-
Inventories	-	-	-	-
Assets Restricted by Bond Indentures	-	-	-	-
Capital Assets - Net	455,011	453,951	908,962	-
Total Assets	<u>\$ 1,052,702</u>	<u>\$ 651,212</u>	<u>\$ 1,703,914</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 17,413	\$ 30,447	\$ 47,860	\$ -
Accrued and Other Liabilities	-	-	-	-
Deferred Revenue	-	-	-	-
Noncurrent Liabilities	-	-	-	-
Due Within One Year	-	12,001	12,001	-
Due in More than One Year	-	417,083	417,083	-
Total Liabilities	<u>\$ 17,413</u>	<u>\$ 459,531</u>	<u>\$ 476,944</u>	<u>\$ -</u>
<b>NET ASSETS</b>				
Investment in Capital Assets				
Net of Related Debt	\$ 455,011	\$ 54,707	\$ 509,718	\$ -
Restricted for				
Streets and Highways	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	580,278	136,974	717,252	-
Total Net Assets	<u>\$ 1,052,702</u>	<u>\$ 651,212</u>	<u>\$ 1,703,914</u>	<u>\$ -</u>

Township of L'Anse  
Government Wide Statement of Activities  
For year ended March 31, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Operating		Capital	Primary Government		
		Charge for Services	Grants and Contributions		Governmental Activities	Business-Type Activities	Component Units
<b>Primary Government</b>							
General Government	\$157,838	\$ 472	\$ -	\$ -	\$ (157,366)	\$ -	\$ (157,366)
Public Safety	85,540	12,000	-	-	(73,540)	-	(73,540)
Public Works	28,406	535	-	-	(27,871)	-	(27,871)
Health and Welfare	61,890	-	-	-	(61,890)	-	(61,890)
Community and Economic Development	-	-	-	-	-	-	-
Recreation and Culture	63,133	10,476	-	-	(52,657)	-	(52,657)
Interest on Long-Term Debt	385	-	-	-	(385)	-	(385)
Transfers to other funds	10,000	-	-	-	(10,000)	-	(10,000)
<b>Total Governmental Activities</b>	<b>407,192</b>	<b>23,483</b>	<b>-</b>	<b>-</b>	<b>(383,709)</b>	<b>-</b>	<b>(383,709)</b>
<b>Business-Type Activities</b>							
Water and Sewer	34,739	16,957	-	-	-	(17,782)	(17,782)
<b>Total Primary Government</b>	<b>441,931</b>	<b>40,440</b>	<b>-</b>	<b>-</b>	<b>(383,709)</b>	<b>(17,782)</b>	<b>(401,491)</b>
<b>General Revenues</b>							
Property Taxes					250,460	-	250,460
State-Shared Revenues					136,137	-	136,137
Unrestricted Investment Earnings					7,081	4,276	11,357
Franchise Fees					-	-	-
Miscellaneous					-	-	-
Special Item - Gain on Sale of Park Land					-	-	-
Transfers					-	10,000	10,000
<b>Total General Revenues - Special Items Transfers</b>					<b>393,678</b>	<b>14,276</b>	<b>407,954</b>
<b>Change in Net Assets</b>					<b>9,969</b>	<b>(3,506)</b>	<b>6,463</b>
<b>Net Assets - Beginning</b>					<b>1,042,733</b>	<b>654,718</b>	<b>1,697,451</b>
<b>Net Assets - End</b>					<b>\$ 1,052,702</b>	<b>\$ 651,212</b>	<b>\$ 1,703,914</b>

Township of L'Anse  
Governmental Fund Balance Sheet  
March 31, 2005

	General Fund	Fire Millage Fund	Ambulance Millage Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 401,025	\$ 18,364	\$ 112,056	\$ 10,427	\$ 541,872
Investments	-	-	-	-	-
Receivables (Net)	833	-	-	-	833
Due From Other Funds	38,033	-	-	-	38,033
Receivable From Other Governments	6,132	5,489	5,332	-	16,953
Inventories	-	-	-	-	-
Total Assets	<u>\$ 446,023</u>	<u>\$ 23,853</u>	<u>\$ 117,388</u>	<u>\$ 10,427</u>	<u>\$ 597,691</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 5,522	\$ 2,809	\$ -	\$ -	\$ 8,331
Due to Other Funds	-	7,586	-	-	7,586
Payable to Other Governmentals	1,496	-	-	-	1,496
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>7,018</u>	<u>10,395</u>	<u>-</u>	<u>-</u>	<u>17,413</u>
<b>Fund Balances</b>					
Restricted for					
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Other Purposes	-	-	-	-	-
Unrestricted	439,005	13,458	117,388	10,427	580,278
Total Fund Balances	<u>439,005</u>	<u>13,458</u>	<u>117,388</u>	<u>10,427</u>	<u>580,278</u>
Net Assets of Governmental Activities	<u>\$ 446,023</u>	<u>\$ 23,853</u>	<u>\$ 117,388</u>	<u>\$ 10,427</u>	<u>\$ 597,691</u>

Township of L'Anse  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
March 31, 2005

Total Fund Balance - Governmental Activities per Balance Sheet page 11	\$ 580,278
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Amounts reported for governmental activities  
in the Statement of Net Assets are different  
because:

- |   |   |              |
|---|---|--------------|
| 1 | Capital assets used in governmental<br>activities are not financial resources<br>and therefore not recorded in the funds  | 455,011      |
| 2 | Governmental funds report capital outlays<br>as expenditures. However, in the<br>Statement of Activities, the cost of those<br>is depreciated over their estimated useful<br>lives and reported as depreciation expense |              |
|   | Capital outlay                      40,873  |              |
|   | Depreciation Exp <u>23,075</u>  | 17,798       |
| 3 | Loss on disposal of obsolete assets   | <u>(385)</u> |

Total Net Assets - Governmental Activities per Balance Sheet page 9	<u>\$ 1,052,702</u>
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Township of L'Anse  
Proprietary Combining Balance Sheet  
March 31, 2005

	Water & Sewer Fund	Sewer Contingency Fund	Water Hook-up Fund	Totals (Memorandum Only)
<u>ASSETS</u>				
Cash in bank	\$ 4,807	\$ 189,454	\$ 3,000	\$ 197,261
Accounts receivable	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Engineering	-	30,447	-	30,447
Utility plant and system	-	626,997	-	626,997
Equipment	-	-	-	-
Accumulated depreciation	-	(203,493)	-	(203,493)
<b>TOTAL ASSETS</b>	<u>\$ 4,807</u>	<u>\$ 643,405</u>	<u>\$ 3,000</u>	<u>\$ 651,212</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	-	30,447	-	30,447
Customer deposits	-	-	-	-
Revenue bonds payable	-	429,084	-	429,084
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>459,531</u>	<u>-</u>	<u>459,531</u>
<u>FUND EQUITY</u>				
Contributed capital	-	54,707	-	54,707
Retained earnings (deficit):				
Unreserved	4,807	129,167	3,000	136,974
Reserved	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>4,807</u>	<u>183,874</u>	<u>3,000</u>	<u>191,681</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 4,807</u>	<u>\$ 643,405</u>	<u>\$ 3,000</u>	<u>\$ 651,212</u>

Township of L'Anse  
Proprietary Funds  
Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
For the year ended March 31, 2005

	Water & Sewer Fund	Sewer Contingency Fund	Water Hookup Fund	Totals (Memorandum Only)
<u>OPERATING REVENUES</u>				
Charges for services	\$ -	\$ 16,957	\$ -	\$ 16,957
Other operating revenue	-	-	-	-
TOTAL OPERATING REVENUE	-	16,957	-	16,957
<u>OPERATING EXPENSES</u>				
Salaries and wages	-	-	-	-
Contracted services	-	-	-	-
Bad Debts	-	-	-	-
Utilities	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	-	-	-	-
Professional fees	-	-	-	-
Provision for depreciation	-	15,567	-	15,567
Miscellaneous	-	-	-	-
TOTAL OPERATING EXPENSES	-	15,567	-	15,567
OPERATING INCOME (LOSS)	-	1,390	-	1,390
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest on investments	47	4,229	-	4,276
Interest expense on bonds	-	(19,172)	-	(19,172)
Disaster Assistance grant	-	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	47	(14,943)	-	(14,896)
Operating Transfers in (out)	-	10,000	-	10,000
NET INCOME (LOSS)	47	(3,553)	-	(3,506)
Retained earnings at April 1	4,761	132,720	3,000	140,481
RETAINED EARNINGS AT MARCH 31	\$ 4,808	\$ 129,167	\$ 3,000	\$ 136,975

Township of L'Anse  
Proprietary Funds  
Combined Statement of Cash Flow  
For the Year ended March 31, 2005

	Water & Sewer Fund	Sewer Contingency Fund	Water Hookup Fund	Total (Memorandum Only)
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating Income	\$ 47	\$ 1,390	\$ -	\$ 1,437
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	15,567	-	15,567
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	-	-	-	-
(Increase) Decrease in Due from other Funds	-	-	-	-
Increase (Decrease) in accounts payable	-	-	-	-
Increase (Decrease) in Due to General Fund	-	-	-	-
	<u>47</u>	<u>16,957</u>	<u>-</u>	<u>17,004</u>
<b>CASH FLOWS PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCIAL ACTIVITIES</b>				
Payments on revenue bonds	-	(12,001)	-	(12,001)
Payments for capital acquisitions	-	-	-	-
(Increase) Decrease of restricted assets	-	-	-	-
Operating transfers in	-	10,000	-	10,000
	<u>-</u>	<u>(2,001)</u>	<u>-</u>	<u>(2,001)</u>
<b>CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>				
Interest received on investments	-	4,228	-	4,228
Interest paid on bonds	-	(19,172)	-	(19,172)
Bond Proceeds	-	-	-	-
	<u>-</u>	<u>(14,944)</u>	<u>-</u>	<u>(14,944)</u>
<b>NET INCREASE IN CASH</b>	<u>47</u>	<u>12</u>	<u>-</u>	<u>59</u>
Cash at April 1	<u>4,761</u>	<u>189,442</u>	<u>3,000</u>	<u>197,203</u>
Cash at March 31	<u>\$ 4,808</u>	<u>\$ 189,454</u>	<u>\$ 3,000</u>	<u>\$ 197,262</u>



**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Township of L'Anse, Michigan ("the Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

**Implementation of GASB Statement No. 34**

The aspects of financial statement content and format, as prescribed by Governmental Accounting Standards Board ("GASB") Statement No. 34 have been implemented in the financial statements, effective for the year ended March 31, 2005.

The primary changes from the prior years' financial presentations include:

- ?? The addition of a Management's Discussion and Analysis as required supplementary information.
- ?? A new format for the Township's basic financial statements including a government-wide Statement of Net Assets and Statement of Activities, in addition to fund financial statements, with emphasis on major funds, for governmental and proprietary activities.
- ?? The reporting of budget and actual information for the General Fund and each major special revenue fund in a new format as required supplementary information.
- ?? Beginning net assets reported in government-wide financial statements will differ from the amounts reported as ending fund equity in the prior year financial statements due to this implementation.
- ?? The change to the direct method of reporting cash flows from operations in the proprietary fund financial statements.

**A. Reporting Entity**

The Township of L'Anse was organized under general law of the state of Michigan in 1867 and is governed by a Board of Trustees, which consists of 5 members, each of whom are elected. The township provides, or contributes to the providing of, the following services to its residents: public safety (fire and inspections), public works, culture and recreation, general administrative and other services.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to

**Township of L'Anse**  
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meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measure Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

**General Fund** - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Fire Fund** - The fire fund accounts for revenue sources that are legally restricted for use on local fire protection.

**Ambulance Fund** - The ambulance fund accounts for revenue sources that are legally restricted for use for local emergency medical services.

The government reports the following major proprietary funds:

**Sewer Contingency Fund** - The sewer contingency fund accounts for revenue sources that are used to operate, manage and maintain the townships sewer system.

**Township of L'Anse**  
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Additionally, the government reports the following non-major fund types:

Liquor Law Enforcement, Electric permit, Building and zoning and water hook-up funds

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected to also follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

#### **D. Assets, Liabilities, and Net Assets or Equity**

Bank Deposits and Investments-- Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-- In general, outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items-- Inventories are not significant and have not been recognized in any of the funds.

Restricted Assets-- The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of the Local Unit of Government's water and sewer lines.

**Township of L'Anse**  
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Capital Assets-- Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, \$0 of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	10 to 30 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

**Township of L'Anse**  
**Notes to Financial Statements**  
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Compensated Absences (Vacation and Sick Leave)--It is the government's policy not to permit employee's any sick or vacation pay benefits.

Long-Term Obligations-- In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity-- In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The primary government follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including at least one formal hearing conducted at the Township Hall to obtain taxpayer comment.
- c. Pursuant to statute, prior to March 31, or each year the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.
- d. The general statute governing the Township budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of the said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Township Board, through policy action, specifically directs the Supervisor not to authorize or participate in any expenditure of funds except as authorized by the General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

- e. The Township Supervisor is authorized by means of the Township policy to make certain transfers:
  - 1. The Supervisor receives a request for a budget transfer from the head of the department whose budget is to be affected. Such request must specify the necessity for the transfer, the account name and/or group(s) and amounts to be affected within prescribed limitations. The Board must approve transfers in excess of those limitations.
  - 2. The following considerations must be reviewed in determination of transfer approvals:
    - a. Are the transfers consistent with the intent of the Board in adopting the annual budget?
    - b. Will the transfer maintain the financial integrity of the Township?
    - c. Will the transfer provide a reasonable solution to the departmental operating problem?

Considering the above, the Supervisor will then decide whether or not the transfer should be made.

Supplemental appropriations are submitted to and reviewed by the Township Supervisor and submitted to the Budget Committee for further consideration. If approved, they are transmitted to the Township Board for their review and approval. If approved, they are implemented by the Supervisor's Office through a budget revision.

- f. The Township adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary control exists at the most detailed level adopted by the Board, i.e., department for analytical purposes. A detailed line item breakdown is prepared for each program. Accounting, i.e., classification control resides at the line item level.
- g. Budgets for the General and Special Revenue Funds were adopted in substance on an accrual basis which is consistent with generally accepted accounting principles. Budgeted amounts as reported in the Financial Report are as originally adopted and/or amended by the Township Board.

All annual appropriations lapse at fiscal year end.

**Township of L'Anse**  
**Notes to Financial Statements**  
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Excess of Expenditures Over Appropriations in Budgeted Funds—During the year, the Local Governmental Unit incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated as follows:

<u>Budget Item</u>	<u>Budget Appropriation</u>	<u>Actual Expenditures</u>
General Fund	None	None
Fire Fund	None	None
Ambulance Fund	None	None
Liquor Law Enforcement	None	None
Building and Zoning	None	None
Electrical Permits	None	None

Fund Deficits-- The Local Governmental Unit has accumulated fund balance/retained earning deficits in the following individual funds

<u>Fund</u>	<u>Deficit</u>	<u>Fund Equity</u>
None	None	None

**NOTE 3—DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The L'Anse Township Board has designated three banks/credit unions for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority

At year-end, the L'Anse Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Cash and Cash Equivalents	\$541,872	\$197,261	--	\$739,133	--
Investments	--	--	--	--	--
Restricted Assets	--	--	--	--	--
Total	\$541,872	\$197,261	\$ --	\$739,133	\$ --

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

The breakdown between deposits and investments is as follows:

	Primary Government	Component Units
Bank Deposits (checking and savings accounts, certificates of deposit)	\$739,133	\$ --
Investments in Securities, Mutual Funds and Similar Vehicles	--	--
Petty Cash and Cash on Hand	--	--
Total	<u>\$739,133</u>	<u>\$ --</u>

The bank balance of the primary government's deposits is \$741,193, of which \$741,193 is covered by federal depository insurance and \$0 is collateralized by with U.S. Treasury securities held by the pledging financial institution's trust department in the government's name.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Local Governmental Unit's name.

At year-end, the government's investment balances were categorized as follows:

	Category			Reported Amount (Fair Value)
	1	2	3	
Primary Government				
U.S. Government Securities	\$ --	\$ --	\$ --	\$ --
Commercial Paper	--	--	--	--
Repurchase Agreements	--	--	--	--
Subtotal	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	
Investments Not subject to Categorization				
Mutual Funds				
Bank Investment Pools				<u>          </u>
Total Primary Government				<u>\$ --</u>
Component Units				
Bank Investment Pools				<u>\$ --</u>



**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

Governmental funds report no deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable	Unearned
Delinquent Property Taxes	\$ --	\$ --
Special Assessments	--	--
Grant Drawdowns Prior to Meeting all Eligibility Requirements	--	--
	--	--
Total	\$ --	\$ --

**NOTE 4—CAPITAL ASSETS**

Capital asset activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$293,000	\$4,900	--	\$297,900
Construction in Progress	--	--	--	--
Subtotal	293,000	4,900	--	297,900
Capital Assets Being Depreciated				
Buildings	1,098,243	--	--	1,098,243
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	210,956	20,254	8,496	222,714
Infrastructure	--	--	--	--
Subtotal	1,602,199	25,154	8,496	1,618,857
Less Accumulated Depreciation for				
Buildings	1,005,935	3,908	--	1,009,884
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	134,836	19,167	--	154,003
Infrastructure	--	--	--	--
Subtotal	1,140,771	23,075	--	1,163,846
Net Capital Assets Being Depreciated	461,428	2,079	--	455,011
Governmental Activities Capital Total	\$1,602,199	\$25,154	8,496	\$1,627,353
Capital Assets—Net Depreciation	\$461,428	\$2,071	8,496	\$455,011

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

<b>Business-Type Activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated	\$ --	--	--	\$ --
Land	--	--	--	--
Construction in Progress	--	--	--	--
Subtotal	--	--	--	--
Capital Assets Being Depreciated				
Buildings	--	--	--	--
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	--	--	--	--
Infrastructure	657,445	--	--	657,445
Subtotal	657,445	--	--	657,445
Less Accumulated Depreciation for				
Buildings	--	--	--	--
Improvements Other Than Buildings	--	--	--	--
Machinery and Equipment	--	--	--	--
Infrastructure	188,472	15,567	--	204,039
Subtotal	188,472	15,567	--	204,039
Net Capital Assets Being Depreciated	468,973	15,567	--	453,406
Governmental Activities Capital Total	\$657,445		--	\$657,445
Capital Assets—Net Depreciation	\$468,973	\$15,567	--	\$453,406

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
General Government	\$3,589
Public Safety	9,077
Public Works	--
Economic Development	--
Recreation and Culture	10,408
Internal Service Fund Depreciation is Charged to the Various Functions Based on Their Usage of the Assets	--
	<hr/>
Total Governmental Activities	<hr/> <hr/> \$23,074
Business-Type Activities	
Water	--
Sewer	15,567
	<hr/>
Total Business-Type Activities	<hr/> <hr/> \$15,567

Construction Commitments—The government has no active construction projects at year-end.

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

**NOTE 5—INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Due To/From Other Funds</b>		
General	Water and Sewer	\$30,447
Total		<u>\$30,447</u>

**Interfund Transfers**

	<u>Transfers (Out)</u>		
		Non-Major Governmental Funds	Total
Transfers In	Water and Sewer		
General Fund	\$10,000	--	\$10,000
Total	\$10,000	--	\$10,000

**NOTE 6—LONG-TERM DEBT**

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

The revenue bonds payable reflected in the Sewer Contingency Fund of general obligation and revenue bonds were incurred for the sanitary system on behalf of the Township. The Village of L'Anse and the Township of L'Anse have entered into a contract with the Baraga County Board of Public Works for the local share of the financing of a sanitary sewer system. The Baraga County Board of Public Works issued Baraga County Sanitary System No. 2 Bonds to finance this project. Annual transfers equal to principal and interest payments on the debt are made based on contractual agreements by those local units deriving revenues and benefits from the facilities. The remaining payment schedule on the bonds is as follows:

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>						
Revenue Bonds						
System # 1	5%	2042	\$156,180	\$(8,220)	\$147,960	\$9,042
System # 2	4.5%	2018	284,905	(2,795)	282,110	2,959
<b>Total Business-Type Activities</b>			<b>\$441,085</b>	<b>\$(11,015)</b>	<b>\$430,070</b>	<b>\$12,001</b>

Annual debt service requirements to maturity for the above obligations are as follows:

Year End March 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2005	\$ --	\$ --	\$12,001	\$20,630
2006	--	--	12,283	20,093
2007	--	--	12,988	19,467
2008	--	--	13,974	18,833
2009	--	--	13,974	18,151
2010	--	--	14,960	17,468
2011 - 2042	--	--	349,890	256,751
Total	\$ --	\$ --	\$430,070	\$371,393

Bonds originally issued for (System 1# \$1,710,000 and dated October 17, 1979; System 2# \$1,750,000 and dated December 10, 2001), mature annually as scheduled above and bear interest at (System #1 - 5%; System #2 - 4.5%) per annum. Interest is payable (System #1 -May 1 and November 1; System #2 -Jan 1 and July 1) .

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

**NOTE 7—SEGMENT INFORMATION**

The Township maintains three enterprise funds: a Water & Sewer Fund, Sewer Contingency Fund, and a Water Hookup Fund. Condensed segment information for the period ended March 31, 2004, is as follows:

**Condensed Statement of Net Assets**

Assets	
Current Assets	\$197,261
Due From Other Funds	--
Restricted Assets	--
Capital Assets	453,951
	<hr/>
Total Assets	\$651,212
	<hr/>
Liabilities	
Current Liabilities	\$--
Due to Other Funds	30,447
Current Liabilities Payable From Restricted Assets	--
Noncurrent Liabilities	429,084
	<hr/>
Total Liabilities	459,531
	<hr/>
Net Assets	
Invested in Capital Assets	
Restricted	--
Unrestricted	191,681
	<hr/>
Total Net Assets	\$651,212
	<hr/>

**Condensed Statement of Revenue, Expenses, and Changes in Net Assets**

Sewer Charges (Pledged Against Bonds)	\$16,957
Depreciation Expense	(15,567)
Other Operating Expenses	--
	<hr/>
Operating Income	1,390
Nonoperating Revenue (Expense)	
Investment Earnings	4,276
Interest Expense	(19,172)
Operating Transfers in (out)	10,000
	<hr/>
Changes in Net Assets	(3,506)
Beginning Net Assets	654,718
	<hr/>
Ending Net Assets	\$651,212
	<hr/>

**Township of L'Anse**  
**Notes to Financial Statements**  
**March 31, 2005**

**Condensed Statement of Cash Flows**

Net Cash Provided by (Used in)	
Operating Activities	\$17,004
Noncapital Financing Activities	--
Capital and Related Financing Activities	(2,001)
Investing Activities	(14,944)
	<hr/>
Net Increase (Decrease)	59
Beginning Cash and Cash Equivalents	197,203
	<hr/>
Ending Cash and Cash Equivalents	<u><u>\$197,262</u></u>

**NOTE 8—RESTRICTED ASSETS**

The balances of the restricted asset accounts in the enterprise funds are as follows:

Unspent Bond Proceeds	\$ --
Revenue Bond Restrictions	
Operations and Maintenance Account	--
Improvement and Replacement Account	--
Bond Reserve	--
	<hr/>
Total Restricted Assets	<u><u>\$ --</u></u>

**NOTE 9—RISK MANAGEMENT**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township maintains insurance coverage through the Michigan Township Participating Plan, which covers each of the risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the township. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 10—EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS**

The Township has a defined contribution retirement plan through ManuLife covering all elected officials. The Township's contribution for all funds amounted to \$5,103 for the year ended March 31, 2005. The funds vest immediately.

The premium due under the policy, which is paid totally by the Township, is based on the elected official's income level. The plans value at December 31, 2005 is not available.

## **Required Supplemental Information**



Township of L'Anse  
Budgetary Comparison Schedule  
General Fund  
Year ended March 31, 2005

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Beginning Budgetary Fund Balance	\$ 453,210	\$ 453,210	\$ 453,210	-
Resources (Inflows):				
Taxes	104,120	111,120	106,808	4,312
Licenses & permits	-	-	-	-
Intergovernmental revenue				-
Federal	1,500	1,500	1,169	331
State	149,950	129,681	133,208	(3,527)
Charges for services	12,245	17,745	11,483	6,262
Fines & forfeits	-	-	-	-
Interest & rents	10,000	10,000	5,108	4,892
Other revenue	-	-	-	-
Amounts available for Appropriations	277,815	270,046	257,776	12,270
Charges to Appropriation (Outflows):				
General government				-
Township Board	9,294	10,759	10,558	201
Supervisor	16,976	18,676	18,611	65
Elections	4,080	4,230	3,745	485
Assessor / Equalization	30,650	30,650	27,420	3,230
Clerk	19,445	19,445	17,005	2,440
Board of Review	1,921	1,921	1,993	(72)
Treasurer	42,615	42,615	38,493	4,122
Township Properties	27,734	29,921	28,371	1,550
Cemetery	6,520	6,520	5,585	935
Legal and Accounting	6,100	11,600	9,788	1,812
Public safety				-
Planing and zoning	522	522	103	419
Public works				-
Street lights	7,740	7,740	6,359	1,381
Sanitation, refuse collection	1,100	1,100	878	222
Highways and streets	13,450	21,170	21,169	1
Recreation & culture	69,680	71,981	71,904	77
Transfers to other funds	30,000	10,000	10,000	-
Total Charges to Appropriations	287,827	288,850	271,982	16,868
Ending Budgetary Fund Balance	\$ 443,198	\$ 434,406	\$ 439,004	\$ (4,598)

Township of L'Anse  
Budgetary Comparison  
Fire Fund  
For year ended March 31, 2005

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Beginning Budgetary Fund Balance	\$ 1,987	\$ 1,987	\$ 1,987	\$ -
Resources (Inflows):				
Taxes	74,038	74,038	72,805	1,233
Licenses & permits	-	-	-	-
Intergovernmental revenue				
Federal	400	400	-	400
State	-	-	-	-
Charges for services	590	590	-	590
Fines & forfeits	-	-	-	-
Interest & rents	650	650	510	140
Other revenue	-	-	-	-
Amounts available for Appropriations	75,678	75,678	73,315	2,363
Charges to Appropriation (Outflows):				
Personal services	-	-	-	-
Capital outlay	-	-	-	-
Other current expenditures	68,824	68,824	61,844	6,980
Total Charges to Appropriations	68,824	68,824	61,844	6,980
Ending Budgetary Fund Balance	<u>\$ 8,841</u>	<u>\$ 8,841</u>	<u>\$ 13,458</u>	<u>\$ (4,617)</u>

Township of L'Anse  
Budgetary Comparison Schedule  
Ambulance Fund  
For year ended March 31, 2005

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Beginning Budgetary Fund Balance	\$ 106,968	\$ 106,968	\$ 106,968	\$ -
Resources (Inflows):				
Taxes	71,760	71,760	70,847	913
Licenses & permits	-	-	-	-
Intergovernmental revenue				-
Federal	-	-	-	-
State	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Interest & rents	350	350	1,463	(1,113)
Other revenue	-	-	-	-
Amounts available for Appropriations	72,110	72,110	72,310	(200)
Charges to Appropriation (Outflows):				
Personal services	-	-	-	-
Capital outlay	-	-	-	-
Other current expenditures	61,890	61,890	61,890	-
Total Charges to Appropriations	61,890	61,890	61,890	-
Ending Budgetary Fund Balance	<u>\$ 117,188</u>	<u>\$ 117,188</u>	<u>\$ 117,388</u>	<u>\$ (200)</u>

Township of L'Anse  
 Budgetary Comparison Schedule  
 Nonmajor Funds  
 For year ended March 31, 2004

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Beginning Budgetary Fund Balance	\$ 11,183	\$ 11,183	\$ 11,183	\$ -
Resources (Inflows):				
Taxes	-	-	-	-
Licenses & permits	-	-	-	-
Intergovernmental revenue				-
Federal	-	-	-	-
State	1,760	1,780	1,760	20
Charges for services	9,000	9,000	12,000	(3,000)
Fines & forfeits	-	-	-	-
Interest & rents	-	-	-	-
Other revenue	-	-	-	-
Amounts available for Appropriations	10,760	10,780	13,760	(2,980)
Charges to Appropriation (Outflows):				
Personal services	2,483	2,483	2,482	1
Capital outlay	-	-	-	-
Other current expenditures	12,374	12,374	12,034	340
Total Charges to Appropriations	14,857	14,857	14,516	341
Ending Budgetary Fund Balance	<u>\$ 7,086</u>	<u>\$ 7,106</u>	<u>\$ 10,427</u>	<u>\$ (3,321)</u>

## **Other Supplemental Information**

Township of L'Anse  
General Fund  
Balance Sheet  
March 31, 2005

ASSETS

Cash and investments	
Unrestricted	\$ 401,025
Restricted	-
Receivables	
Accounts (net)	833
Interest	-
Taxes - current	-
Taxes -delinquent personal	-
Due from Federal Government	-
Due from State of Michigan	-
Due from others funds	38,033
Due from others	6,132
Prepaid expense and other assets	-
	<hr/>
TOTAL ASSETS	\$ 446,023

LIABILITIES

Accounts Payable	\$ 5,522
Cash & investment overdrafts	-
Due to other funds	-
Due to others	1,496
Due to federal government	-
Due to State of Michigan	-
Accrued payroll	-
Accrued sick and vacation	-
Other current liabilities	-
	<hr/>
TOTAL LIABILITIES	7,018

FUND EQUITY

FUND BALANCE	
Unrestricted	431,292
Reserved	7,713
	<hr/>
TOTAL FUND BALANCE	439,005
	<hr/>
TOTAL LIABILITIES & EQUITY	\$ 446,023

Township of L'Anse  
General Fund Revenues, Budget to Actual  
For the year ended March 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>General Property Taxes</b>				
Operating tax levy	\$ 71,800	\$ 78,800	\$ 79,889	\$ 1,089
Delinquent tax collection and interest	200	1,200	279	(921)
Trailer Park taxes	120	120	-	(120)
Administrative fees	32,000	31,000	26,640	(4,360)
Total General Property Taxes	<u>\$ 104,120</u>	<u>\$ 111,120</u>	<u>\$ 106,808</u>	<u>\$ (4,312)</u>
<b>Licenses and Permits</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Intergovernmental Revenue</b>				
Payments in Lieu of taxes				
Swamp Lands	\$ -	\$ -	\$ -	\$ -
Commercial Forest Reserves	-	-	-	-
State shared taxes	149,950	129,681	133,208	3,527
Total State Shared Revenues	<u>149,950</u>	<u>129,681</u>	<u>133,208</u>	<u>3,527</u>
Federal Grants				
Payments in Lieu of taxes - National Forest	1,500	1,500	1,169	(331)
Total Federal Shared Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,169</u>	<u>(331)</u>
Reimbursements from other governments	-	-	-	-
Total Intergovernmental Revenue	<u>\$ 151,450</u>	<u>\$ 131,181</u>	<u>\$ 134,377</u>	<u>\$ 3,196</u>
<b>Charges for Services</b>				
Charges for services	\$ 1,035	\$ 6,535	\$ 875	\$ (5,660)
Rentals & Park Fees	11,000	11,000	10,511	(489)
Miscellaneous	210	210	97	(113)
Total Charges for Services	<u>\$ 12,245</u>	<u>\$ 17,745</u>	<u>\$ 11,483</u>	<u>\$ (6,262)</u>
<b>Fines and forfeits</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Interest</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 5,108</u>	<u>\$ (4,892)</u>
<b>Other Revenue</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenue</b>	<u>\$ 277,815</u>	<u>\$ 270,046</u>	<u>\$ 257,776</u>	<u>\$ (12,270)</u>

Township of L'Anse  
General Fund  
Detail of Expenditures, Budget to Actual  
For the year ended March 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>LEGISLATIVE</b>				
<b>TOWNSHIP BOARD</b>				
Personal Services, Salaries wages				
Salaries and wages	\$ 5,580	\$ 6,665	\$ 6,665	\$ -
Employee benefits	1,404	1,784	1,584	200
Total Personal Services, Salaries	6,984	8,449	8,249	200
Capital outlay		-	-	-
Other Current Expenditures				
Contracted Services	100	76	76	-
Office supplies	100	25	25	-
Travel	60	240	240	-
Printing and Publishing	500	678	678	-
Dues and Memberships	1,410	1,290	1,290	-
Miscellaneous	140	1	-	1
Total Other Current Expenditures	2,310	2,310	2,309	1
Total Township Board	9,294	10,759	10,558	201
<b>Total Legislative</b>	<u>9,294</u>	<u>\$ 10,759</u>	<u>\$ 10,558</u>	<u>\$ 201</u>
<b>General Government</b>				
<b>Supervisor</b>				
Personal Services, Salaries wages				
Salaries and wages	\$ 13,289	\$ 13,445	\$ 13,445	\$ -
Employee benefits	3,322	3,474	3,473	1
Total Personal Services, Salaries	16,611	16,919	16,918	1
Capital outlay		1,252	1,252	-
Other Current Expenditures				
Office Supplies	80	64	-	64
Travel	235	441	441	-
Miscellaneous	50	-	-	-
Total Other Current Expenditures	365	505	441	64
Total Supervisor	16,976	18,676	18,611	65
<b>Elections</b>				
Personal Services, Salaries wages				
Salaries and wages	2,600	2,600	2,572	28
Employee benefits	650	650	312	338
Total Personal Services, Salaries	3,250	3,250	2,884	366
Capital outlay		-	-	-
Other Current Expenditures				
Contracted Services		-	-	-
Office Supplies	550	500	464	36
Operating Supplies	150	370	354	16
Printing and Publishing	100	80	43	37
Miscellaneous	30	30	-	30
Total Current Expenditures	830	980	861	119
Total Elections	4,080	4,230	3,745	485
<b>Assessor/Equalization</b>				
Personal Services, Salaries wages				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Total Personal Services, Salaries	-	-	-	-
Capital outlay		1,100	980	120
Other Current Expenditures				
Contracted Services	28,350	26,500	23,826	2,674
Office Supplies	1,000	2,265	2,244	-
Operating Supplies	800	-	-	-
Travel	500	500	175	325
Printing and Publishing		-	-	-
Miscellaneous		285	195	90
Total Current Expenditures	30,650	29,550	26,440	2,999
Total Assessor/Equalization	30,650	30,650	27,420	3,230



Township of L'Anse  
General Fund  
Detail of Expenditures, Budget to Actual (continued)  
For the year ended March 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Clerk</b>				
Personal Services, Salaries wages				
Salaries and wages	\$ 14,660	\$ 14,660	\$ 12,885	\$ 1,775
Employee benefits	3,665	3,665	3,262	403
Total Personal Services, Salaries	18,325	18,325	16,147	2,178
Capital Outlay	-	-	-	-
Other Current Expenditures				
Office Supplies	600	700	556	144
Operating Supplies	-	-	-	-
Travel	400	375	302	73
Printing and Publishing	-	-	-	-
Miscellaneous	120	45	-	45
Total Other Current Expenditures	1,120	1,120	858	262
Total Clerk	19,445	19,445	17,005	2,440
<b>Board of Review</b>				
Personal Services, Salaries wages				
Salaries and wages	1,605	1,473	1,473	-
Employee benefits	256	223	205	18
Total Personal Services, Salaries	1,861	1,696	1,678	18
Capital Outlay	-	-	-	-
Other Current Expenditures				
Travel/training	-	165	165	-
Printing and Publishing	60	60	150	(90)
Total Other Current Expenditures	60	225	315	(90)
Total Board of Review	1,921	1,921	1,993	(72)
<b>Treasurer</b>				
Personal Services, Salaries wages				
Salaries and wages	32,250	31,963	28,135	3,828
Employee benefits	6,775	6,775	6,644	131
Total Personal Services, Salaries	39,025	38,738	34,779	3,959
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contractual Services	1,600	1,600	1,598	2
Office Supplies	950	1,446	1,345	-
Travel	400	235	235	-
Printing and Publishing	200	256	256	-
Repairs and Maintenance	300	300	280	20
Miscellaneous	140	40	-	40
Total Other Current Expenditures	3,590	3,877	3,714	163
Total Treasurer	42,615	42,615	38,493	4,122
<b>Township Properties</b>				
Personal Services, Salaries and wages				
Salaries and wages	6,384	6,384	6,384	-
Employee benefits	1,020	1,220	996	224
Total Personal Services, Salaries	7,404	7,604	7,380	224
Capital Outlay	-	190	189	1
Other Current Expenditures				
Contracted Services	-	1,554	1,554	-
Office Supplies	-	-	-	-
Operating supplies	230	230	169	61
Utilities	7,000	7,000	6,673	327
Telephone	2,700	2,700	1,865	835
Insurance	8,500	9,487	9,487	-
Repairs and Maintenance	1,900	1,156	1,054	102
Miscellaneous	-	-	-	-
Total Other Current Expenditures	20,330	22,127	20,802	1,325
Total Township Properties	27,734	29,921	28,371	1,550

Township of L'Anse  
General Fund  
Detail of Expenditures, Budget to Actual (Continued)  
For the year ended March 31, 2005

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b>Cemetery</b>				
Personal Services, Salaries wages	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	4,900	4,900	-
Other Current Expenditures				
Contracted Services	6,000	1,100	250	850
Operating Supplies	250	250	235	15
Printing & publishing	10	10	-	10
Repairs & maintenance	260	260	200	60
Total Cemetery	<u>6,520</u>	<u>6,520</u>	<u>5,585</u>	<u>935</u>
<b>Total General government</b>	<u>\$ 149,941</u>	<u>\$ 153,978</u>	<u>\$ 141,223</u>	<u>\$ 12,755</u>
<b>Legal and Accounting</b>				
Other Current Expenditures				
Contracted Services	\$ 6,000	\$ 11,500	\$ 9,760	\$ 1,740
Miscellaneous	100	100	28	72
Total Legal & Accounting	6,100	\$ 11,600	\$ 9,788	\$ 1,812
<b>Public Safety</b>				
<b>Police/Liquor Law Enforcement</b>				
Other Current Expenditures	-	-	-	-
Contracted Services	-	-	-	-
<b>Planning and Zoning</b>				
Personal Services, Salaries wages				
Salaries and wages	\$ 450	\$ 346	\$ -	\$ 346.00
Employee benefits	72	72	-	72
Total Personal Services, Salaries	<u>522</u>	<u>418</u>	<u>-</u>	<u>418</u>
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	\$ -	\$ -	\$ -	\$ -
Printing & publishing	-	104	103	1
Total Other Current Expenditures	<u>-</u>	<u>104</u>	<u>103</u>	<u>1</u>
Total Planning and Zoning	<u>522</u>	<u>522</u>	<u>103</u>	<u>419</u>
<b>Total Public Safety</b>	<u>\$ 522</u>	<u>\$ 522</u>	<u>\$ 103</u>	<u>\$ 419</u>
<b>Public Works</b>				
<b>Street Lights</b>				
Personal Services, Salaries wages	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contractual Services	7,740	7,740	6,359	1,381
Repairs and Maintenance	-	-	-	-
Total Other Current Expenditures	<u>7,740</u>	<u>7,740</u>	<u>6,359</u>	<u>1,381</u>
Total Street Lights	<u>7,740</u>	<u>7,740</u>	<u>6,359</u>	<u>1,381</u>
<b>Sanitation, Refuse Collection</b>				
Other Current Expenditures				
Contracted Services	1,100	1,100	878	222
<b>Highways and Streets</b>				
Personal Services, Salaries wages	-	-	-	-
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	13,450	21,170	21,169	1
Office Supplies	-	-	-	-
Miscellaneous	-	-	-	-
Total Other Current Expenditures	<u>13,450</u>	<u>21,170</u>	<u>21,169</u>	<u>1</u>
<b>Total Public Works</b>	<u>\$ 22,290</u>	<u>\$ 30,010</u>	<u>\$ 28,406</u>	<u>\$ 1,604</u>

Township of L'Anse  
General Fund  
Detail of Expenditures, Budget to Actual (Continued)  
For the year ended March 31, 2005

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Culture and Recreation</b>				
<b>Parks and Recreation</b>				
Personal Services, Salaries wages				
Salaries and wages	\$ 35,100	\$ 33,746	\$ 33,745	\$ 1
Employee benefits	6,490	5,382	\$ 5,382	-
Total Personal Services, Salaries	41,590	39,128	39,127	1
Capital Outlay	4,000	19,179	19,179	-
Other Current Expenditures				
Contracted Services	14,980	1,840	1,840	-
Office Supplies	-	-	-	-
Operating Supplies	1,620	1,708	1,638	70
Travel	-	294	294	-
Dues & Memberships	-	200	200	-
Utilities	1,920	1,699	1,698	1
Telephone	480	451	450	1
Insurance	1,800	1,914	1,914	-
Repairs and Maintenance	2,400	5,568	5,564	4
Miscellaneous	890	-	-	-
Total Other Current Expenditures	24,090	13,674	13,598	76
Total Parks and Recreation	69,680	71,981	71,904	77
<b>Total Culture and Recreation</b>	<b>\$ 69,680</b>	<b>\$ 71,981</b>	<b>\$ 71,904</b>	<b>\$ 77</b>
<b>Unallocated Other General Government</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers Out</b>				
Sewer Fund	\$ 30,000	\$ 10,000	\$ 10,000	\$ -
	\$ 30,000	\$ 10,000	\$ 10,000	\$ -
<b>Total Expenditures</b>	<b>\$ 287,827</b>	<b>\$ 288,850</b>	<b>\$ 271,982</b>	<b>\$ 16,868</b>

Township of L'Anse  
Fire Fund  
Balance Sheet  
March 31, 2005

ASSETS

Cash and investments	
Unrestricted	\$ 18,364
Restricted	-
Receivables	
Accounts (net)	-
Interest	-
Taxes - current	-
Taxes -delinquent personal	-
Due from Federal Government	-
Due from State of Michigan	-
Due from others funds	
Due from others	5,489
Prepaid expense and other assets	-
	<hr/>
TOTAL ASSETS	\$ 23,853

LIABILITIES

Accounts Payable	\$ 2,809
Cash & investment overdrafts	-
Due to other funds	7,586
Due to others	-
Due to federal government	-
Due to State of Michigan	-
Accrued payroll	-
Accrued sick and vacation	-
Other current liabilities	-
	<hr/>
TOTAL LIABILITIES	10,395

FUND EQUITY

FUND BALANCE	
Unrestricted	13,458
Reserved	-
	<hr/>

TOTAL FUND BALANCE	13,458
	<hr/>

TOTAL LIABILITIES & EQUITY	\$ 23,853
	<hr/>

Township of L'Anse  
Fire Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the year ended March 31, 2005

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<b>General Property Taxes</b>				
Operating tax Levy	\$ 73,776	\$ 73,776	\$ 72,544	\$ (1,232)
Delinquent tax collection and interest	262	262	261	(1)
Trailer Park taxes	-	-	-	-
Administrative fees	-	-	-	-
Total General Property Taxes	74,038	74,038	72,805	1,233
<b>Intergovernmental Revenues</b>				
Federal Shared Revenues	400	400	-	(400)
<b>Charges for Services</b>	590	590	-	(590)
<b>Interest</b>	650	650	510	(140)
<b>Total Revenue</b>	75,678	75,678	73,315	103
<b>Public Safety</b>				
<b>Fire Protection</b>				
Personal Services, Salaries wages				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Total Personal Services, Salaries	-	-	-	-
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	60,150	60,150	55,487	4,663
Operating Supplies	450	450	-	450
Travel	1,820	1,820	249	1,571
Printing & publishing	-	-	-	-
Utilities	2,446	2,446	2,445	1
Telephone	504	504	487	17
Insurance	3,100	3,100	2,852	248
Repairs & Maintenance	354	354	324	30
Miscellaneous	-	-	-	-
Total Other Current Expenditures	68,824	68,824	61,844	6,980
Total Fire Protection	68,824	68,824	61,844	6,980
<b>Total Public Safety</b>	68,824	68,824	61,844	6,980
<b>TOTAL EXPENDITURES</b>	68,824	68,824	61,844	6,980
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,854	6,854	11,471	\$ (4,617)
<b>FUND BALANCE, APRIL 1</b>	1987	1987	1,987	
<b>FUND BALANCE MARCH 31</b>	\$ 8,841	\$ 8,841	\$ 13,458	

Township of L'Anse  
Ambulance Fund  
Balance Sheet  
March 31, 2005

ASSETS

Cash and investments	
Unrestricted	\$ 112,056
Restricted	-
Receivables	
Accounts (net)	-
Interest	-
Taxes - current	-
Taxes -delinquent personal	-
Due from Federal Government	-
Due from State of Michigan	-
Due from others funds	-
Due from others	5,332
Prepaid expense and other assets	-
	<hr/>
TOTAL ASSETS	<u>\$ 117,388</u>

LIABILITIES

Accounts Payable	\$ -
Cash & investment overdrafts	-
Due to other funds	-
Due to others	-
Due to federal government	-
Due to State of Michigan	-
Accrued payroll	-
Accrued sick and vacation	-
Other current liabilities	-
	<hr/>
TOTAL LIABILITIES	-

FUND EQUITY

FUND BALANCE	
Unrestricted	117,388
Reserved	-
	<hr/>
TOTAL FUND BALANCE	<u>117,388</u>
	<hr/>
TOTAL LIABILITIES & EQUITY	<u>\$ 117,388</u>

Township of L'Anse  
Ambulance Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the year ended March 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>General Property Taxes</b>				
Operating tax Levy	\$ 71,740	\$ 71,740	\$ 70,583	\$ (1,157)
Delinquent tax collection and interest	20	20	264	244
Trailer Park taxes	-	-	-	-
Administrative fees	-	-	-	-
Total General Property Taxes	71,760	71,760	70,847	(913)
<b>Intergovernmental Revenues</b>				
Federal Shared Revenues	-	-	-	-
<b>Charges for Services</b>	-	-	-	-
<b>Interest</b>	350	350	1,463	1,113
<b>Total Revenue</b>	72,110	72,110	72,310	200
<b>Public Safety</b>				
<b>Police and Liquor Law</b>				
Personal Services, Salaries wages				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Total Personal Services, Salaries	-	-	-	-
Capital Outlay	-	-	-	-
Other Current Expenditures				
Contracted Services	61,890	61,890	61,890	-
Operating Supplies	-	-	-	-
Travel	-	-	-	-
Printing & publishing	-	-	-	-
Utilities	-	-	-	-
Telephone	-	-	-	-
Insurance	-	-	-	-
Repairs & Maintenance	-	-	-	-
Miscellaneous	-	-	-	-
Total Other Current Expenditures	61,890	61,890	61,890	-
Total Police and Liquor Law	61,890	61,890	61,890	-
<b>Total Public Safety</b>	61,890	61,890	61,890	-
<b>TOTAL EXPENDITURES</b>	61,890	61,890	61,890	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	10,220	10,220	10,420	\$ (200)
<b>FUND BALANCE, APRIL 1</b>	106,968	106,968	106,968	
<b>FUND BALANCE MARCH 31</b>	\$ 117,188	\$ 117,188	\$ 117,388	

Township of L'Anse  
Combining Balance Sheet  
Nonmajor Governmental Funds  
March 31, 2005

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Liquor Law Enforcement</u>	<u>Electric Permits Fund</u>	<u>Building &amp; Zoning Fund</u>	
ASSETS				
Cash and investments				
Unrestricted	\$ 1,606	\$ 8,371	\$ 450	\$ 10,427
Restricted	-	-	-	-
Receivables				
Accounts (net)	-	-	-	-
Interest	-	-	-	-
Taxes - current	-	-	-	-
Taxes -delinquent personal	-	-	-	-
Due from Federal Government	-	-	-	-
Due from State of Michigan	-	-	-	-
Due from others fun	-	-	-	-
Due from others	-	-	-	-
Prepaid expense and other assets	-	-	-	-
	<u>\$ 1,606</u>	<u>\$ 8,371</u>	<u>\$ 450</u>	<u>\$ 10,427</u>
TOTAL ASSETS				
	<u>\$ 1,606</u>	<u>\$ 8,371</u>	<u>\$ 450</u>	<u>\$ 10,427</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Cash & investment overdrafts	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
Due to federal government	-	-	-	-
Due to State of Michigan	-	-	-	-
Accrued payroll	-	-	-	-
Accrued sick and vacation	-	-	-	-
Other current liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	-	-	-	-
FUND EQUITY				
FUND BALANCE				
Unrestricted	1,606	8,371	450	10,427
Reserved	-	-	-	-
	<u>1,606</u>	<u>8,371</u>	<u>450</u>	<u>10,427</u>
TOTAL FUND BALANCE				
	<u>1,606</u>	<u>8,371</u>	<u>450</u>	<u>10,427</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 1,606</u>	<u>\$ 8,371</u>	<u>\$ 450</u>	<u>\$ 10,427</u>



Township of L'Anse  
 of Revenues, Expenditures and Ch  
 Nonmajor Governmental Funds  
 For the year ended March 31, 2005

	Liquor Law Fund				Electric Permits Fund				Building & Zoning Fund				Total Nonmajor Funds				
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	
General Property Taxes																	
Operating tax Levy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Delinquent tax collection and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trailer Park taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total General Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental Revenues																	
State Shared Revenues	1,760	1,780	1,760	(20)	-	-	-	-	-	-	-	-	-	1,760	1,780	1,760	(20)
Charges for Services	-	-	-	-	4,000	4,000	5,714	1,714	5,000	5,000	6,286	1,286	9,000	9,000	12,000	3,000	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue	1,760	1,780	1,760	(20)	4,000	4,000	5,714	1,714	5,000	5,000	6,286	1,286	10,760	10,780	13,760	2,980	
Public Safety																	
Police and Liquor Law																	
Personal Services, Salaries wages	2,280	2,280	2,280	-	-	-	-	-	-	-	-	-	2,280	2,280	2,280	-	
Employee benefits	203	203	202	1	-	-	-	-	-	-	-	-	203	203	202	1	
Total Personal Services, Salaries	2,483	2,483	2,482	1	-	-	-	-	-	-	-	-	2,483	2,483	2,482	1	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Current Expenditures	-	-	-	-	4,520	4,520	4,519	1	6,622	6,622	6,622	-	11,142	11,142	11,141	1	
Contracted Services	-	-	-	-	-	-	-	-	190	190	-	190	220	220	25	195	
Operating Supplies	30	30	25	5	-	-	-	-	400	400	312	88	957	957	868	89	
Travel	-	-	-	-	557	557	556	1	55	55	-	55	55	55	-	55	
Printing & publishing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Current Expenditures	30	30	25	5	5,077	5,077	5,075	2	7,267	7,267	6,934	333	12,374	12,374	12,034	340	
Total Police and Liquor Law	2,513	2,513	2,507	6	5,077	5,077	5,075	2	7,267	7,267	6,934	333	14,857	14,857	14,516	341	
Total Public Safety	2,513	2,513	2,507	6	5,077	5,077	5,075	2	7,267	7,267	6,934	333	14,857	14,857	14,516	341	
TOTAL EXPENDITURES	2,513	2,513	2,507	6	5,077	5,077	5,075	2	7,267	7,267	6,934	333	14,857	14,857	14,516	341	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(753)	(733)	(747)	\$ 14	(1,077)	(1,077)	639	\$ (1,716)	(2,267)	(2,267)	(648)	\$ (1,619)	(4,097)	(4,077)	(756)	\$ (3,321)	
FUND BALANCE, APRIL 1	2,353	2,353	2,353		7,732	7,732	7,732		1,098	1,098	1,098		11,183	11,183	11,183		
FUND BALANCE MARCH 31	\$ 1,600	\$ 1,620	\$ 1,606		\$ 6,655	\$ 6,655	\$ 8,371		\$ (1,169)	\$ (1,169)	\$ 450		\$ 7,086	\$ 7,106	\$ 10,427		

Township of L'Anse  
All Agency funds statement of Assets and Liabilities  
For the year ended March 31, 2005

GENERAL AGENCY FUND

	Balance April 1	Additions	Deductions	Balance March 31
<u>ASSETS</u>				
Cash in bank	\$ -	\$ 20,053	\$ 20,053	\$ -
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 20,053</b>	<b>\$ 20,053</b>	<b>\$ -</b>
<u>LIABILITIES</u>				
Due to Other Funds:				
General Fund	\$ -	\$ 118	\$ 118	\$ -
Fire Fund	-	96	96	-
Ambulance Fund	-	98	98	-
Other Funds	-	1,644	1,644	-
Due to schools	-	-	-	-
Due to county	-	1,498	1,498	-
Due to state government	-	2,399	2,399	-
Due to federal government	-	14,201	14,201	-
Due to others	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 20,054</b>	<b>\$ 20,054</b>	<b>\$ -</b>

CURRENT TAX COLLECTION ACCOUNT

<u>ASSETS</u>				
Cash in bank	\$ -	\$ 1,274,780	\$ 1,274,780	\$ -
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 1,274,780</b>	<b>\$ 1,274,780</b>	<b>\$ -</b>
<u>LIABILITIES</u>				
Due to Other Funds:				
General Fund	\$ -	\$ 85,065	\$ 85,065	\$ -
Fire Fund	-	71,106	71,106	-
Ambulance Fund	-	69,084	69,084	-
Other Funds	-	1,496	1,496	-
Due to schools	-	-	-	-
Due to State Government	-	-	-	-
Due to county	-	-	-	-
Due to others	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 226,751</b>	<b>\$ 226,751</b>	<b>\$ -</b>

Township of L'Anse  
Statement of General Fixed Assets  
March 31, 2005

	March 31, 2003	GASB 34 2003 Additions	Additions	Disposals	March 31, 2004
<b>General Fixed Assets</b>					
Land	\$ 161,255	\$ 293,000	\$ 4,900	\$ -	\$ 297,900
Buildings	244,334	1,098,243	-	-	1,098,243
Equipment	300,229	210,956	20,254	8,496	222,714
Assets under capital lease	-	-	-	-	-
Construction in progress	-	-	-	-	-
Total general fixed assets	<u>\$ 705,818</u>	<u>\$ 1,602,199</u>	<u>\$ 25,154</u>	<u>\$ 8,496</u>	<u>\$ 1,618,857</u>
<b>Investments in general fixed assets from:</b>					
Capital projects funds:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	14,554	14,554	-	-	14,554
Capital lease obligations	-	-	-	-	-
General Fund revenues	691,264	1,587,645	16,658	-	1,604,303
Special revenue fund revenues	-	-	-	-	-
Donations	-	-	-	-	-
Total investments in general fixed assets	<u>\$ 705,818</u>	<u>\$ 1,602,199</u>	<u>\$ 16,658</u>	<u>\$ -</u>	<u>1,618,857</u>

# Richard C. Woodbury, P.C.

Certified Public Accountant  
20017 E. Sharon Avenue  
Houghton, MI 49931

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Web Site - <http://www.rcwpc.com>

July 7, 2005

Township Board  
L'Anse Township  
L'Anse, MI 49946

We have completed our audit of the financial statements of L'Anse Township for the year ended March 31, 2005, and have issued our report thereon dated July 7, 2005. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The Township's administration is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide the administration with reasonable, but not absolute assurance that assets are safeguarded against unauthorized use or disposition and that the transactions are executed in accordance with the administration's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

As stated in our engagement letter, our responsibility as described by professional standard, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

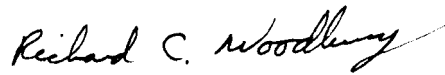
Because of inherent limitations in any system of internal accounting control, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of L'Anse Township taken as a whole. Our study and evaluation disclosed no conditions that we believe to be material weaknesses.

We would like to thank the Township for the opportunity to serve as your auditors. We would also like to express our appreciation for the courtesy and cooperation extended to us during the audit. As always, please feel free to call with questions regarding the information above or that which is presented in the basic financial statements.

This memorandum is intended solely for the information and use of the Board of Trustees, management and others within the Township, but its distribution is not limited.

Sincerely,

A handwritten signature in cursive script that reads "Richard C. Woodbury". The signature is written in dark ink and has a fluid, connected style.

Richard C. Woodbury  
Certified Public Accountant